



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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May 14, 2002

TO: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley  
Auditor-Controller

**SUBJECT: AUDIT REPORT ON COUNTY GRANT OPERATIONS**

Enclosed is the grant compliance audit report on Los Angeles County's operations for fiscal year 2000-2001. The audit was performed by the independent accounting firm KPMG.

Federal law requires the County to have an annual audit of all federal assistance received by the County. This year, the audit, termed the Single Audit, covered federal assistance exceeding \$3 billion.

The audit report includes a summary of federal financial assistance. The audit report also includes comments regarding: (1) compliance with certain laws, regulations, contracts, and grants related to federal assistance programs and (2) a study and evaluation of internal accounting and administrative controls.

No material non-compliance or internal control weaknesses were noted and there were no questioned costs.

Copies of this report are also being sent to the various County departments, as appropriate.

JTM-JN-leh  
Admin\single audit 0-01  
Enclosure

c: David E. Janssen  
Violet Varona-Lukens  
Audit Committee

COUNTY OF LOS ANGELES, CALIFORNIA  
SINGLE AUDIT  
FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS  
FYE JUNE 30, 2001

(3) Findings and Questioned Costs Relating to Federal Awards

*Finding 01-01 – Suspension and Debarment*

**Programs Affected**

**Aging Cluster:** *Department of Health and Human Services (DHHS), Title VII – Elder Abuse Prevention (CFDA #93.041), Title VII – Ombudsman (CFDA #93.042), Area Agency on Aging III F (CFDA #93.043), Area Agency on Aging III B (CFDA #93.044), Area Agency on Aging III CI & CII (CFDA #93.045), and Department of Agriculture (DOA), Area on Aging III USDA CI & CII (CFDA #10.570).*

**Foster Care:** *Department of Health and Human Services (DHHS), AFDC – Foster Care – Administration & Assistance (CFDA #93.658), Children's Welfare Services Title IV-E (CFDA #93.658), Foster Parent Training (CFDA #93.658), Foster Family Licensing (CFDA #93.658), Group Home Month Visits – CWD (CFDA #93.658), Probation IV-E Administration & Assistance (CFDA #93.658).*

**Compliance Requirement**

Nonfederal entities are prohibited from contracting with or making subawards under covered contract transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$100,000 and all nonprocurement transactions (e.g., subawards to subrecipients). Contractors receiving individual awards for \$100,000 or more and all subrecipients must certify that the organization and its principals have not been subject to suspension and debarment proceedings (45 CFR 75).

**Situation Noted**

The respective County departments are not obtaining certificates of suspension and debarment from their subrecipients, which receive equal to or greater than \$100,000 prior to making subawards. It was noted that in 100% of the subrecipients sampled, (e.g., twenty five (25) for each program selected for testwork), certificates of suspension and debarment could not be found in the subrecipient's file. We also noted that in 100% of the department's contracts selected for testwork, the contract did not contain specific language requiring suspension and debarment certifications.

**Questioned Costs:** None.

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FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS  
FYE JUNE 30, 2001**

**Recommendation**

We recommend that the County department responsible for monitoring and obtaining certificates of suspension and debarment implement policies and procedures that require a signed certificate of suspension and debarment to be on file prior to making the subaward. We recommend that the CAO's Contracting and Purchasing Task Force distribute a memorandum to all County departments, County Counsel, and the County's Contracts and Grants sections mandating a suspension and debarment clause in all County contracts with subrecipients/subcontractor vendors and for all contracts receiving individual awards of \$100,000 or more in federal and state funding.

**County's Response**

The Auditor-Controller will notify County departments to include the "Suspension and Debarment" clause in contracts between the County and subrecipients and in contracts receiving individual awards of \$100,000 or more in federal and State funding. In addition, the Auditor-Controller will work with the Chief Administrative Office, County Counsel, and Internal Services Department to develop standard contract language and a certification form that departments can incorporate in their future solicitations.

The Department of Community and Senior Services (CSS) agrees. As part of the Department's strategic planning process, CSS is currently updating the manner in which the Department handles all contracts. CSS will modify the Department's existing policies and procedures to include obtaining signed certificates of suspension and debarment from all subrecipients and for procurement contracts for goods and services in accordance with 45 CFR 75. These documents must be on file prior to awarding and executing all contracts. CSS will also incorporate language in all future contracts to include a federal suspension and debarment clause. These certificates will become a part of CSS contract compliance documents for all contracts commencing July 1, 2002.

The Department of Children and Family Services has referred this recommendation to County Counsel. With County Counsel concurrence, the Department's Contracts Section will include a suspension and debarment clause in all departmental contracts

COUNTY OF LOS ANGELES, CALIFORNIA  
SINGLE AUDIT  
FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS  
FYE JUNE 30, 2001

with subrecipients/subcontractor-vendors receiving individual awards of \$100,000 or more in federal and State funds.

***Finding 01-02 – Subrecipient Single Audit Reports***

**Programs Affected**

**Foster Care:** *Department of Health and Human Services (DHHS), AFDC – Foster Care – Administration & Assistance (CFDA #93.658), Children's Welfare Services Title IV-E (CFDA #93.658), Foster Parent Training (CFDA #93.658), Foster Family Licensing (CFDA #93.658), Group Home Month Visits – CWD (CFDA #93.658), Probation IV-E Administration & Assistance (CFDA #93.658).*

**Workforce Investment Act:** *Department of Labor (DOL), Workforce Investment Act – Adult (CFDA #17.255), Workforce Investment Act – Youth (CFDA #17.255), Workforce Investment Act – Dislocated Work (CFDA #17.255), Workforce Investment Act – Response (CFDA #17.255).*

**Compliance Requirement**

The County is responsible for monitoring the subrecipient's activities to provide reasonable assurance that the subrecipient administers federal awards in compliance with federal requirements, ensures that the required audits are performed, and requires that prompt corrective action on any audit findings by the subrecipient (A-102 Common Rule).

**Situation Noted**

Foster Care: Twenty-one out of twenty-five subrecipients selected for testwork did not submit a copy of their single audit report for fiscal year 2000.

Workforce Investment Act: One out of twenty-five subrecipients selected for testwork did not submit a copy of their single audit report for fiscal year 2000.

In addition, in all cases tested, it was noted that federal funding was not suspended when the single audit report was not produced. We noted that each subrecipient receiving more than \$300,000 per year is required to submit a copy of their Single Audit report to the County for each year in which they receive more than \$300,000 in federal funding. Subrecipients that did not submit Single Audits were:

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SINGLE AUDIT  
FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS  
FYE JUNE 30, 2001**

Foster Care:

|                            |                                   |
|----------------------------|-----------------------------------|
| Koinonia Homes             | Teens Happy Home                  |
| International FFA          | Refugio Par Ninos                 |
| Trinity Foster Care        | Personal Involvement<br>Center    |
| Secure Transactions<br>FFA | Inst Black Parenting              |
| Serenity Infant Care       | Hannahs House                     |
| Family for Children Inc.   | Multicultural Services<br>Center  |
| The Sycamores FFA          | Olive Crest FFA                   |
| Children's Way             | Samadana FFA                      |
| Dangerfield Inst FFA       | McKinley Children's<br>Center FFA |
| Eggleston Youth Center     | Walden Environment<br>FFA         |
| Florence Crittenton FFA    |                                   |

Workforce Investment Act:

Chicana Services

**Questioned Costs:** None.

**Recommendation:**

We recommend that the respective Program Administration (PA) enforce existing established policies and procedures by imposing appropriate sanctions on subrecipients that do not submit their A-133 Single Audit reports in a timely manner. By implementing this recommendation, the PA can properly review the subrecipient's Single Audit reports for financial information and internal control or compliance findings. If subrecipients are determined to be noncompliant, the PA will then be able to implement sanctions and more closely monitor those subrecipients that are not taking appropriate corrective action.

**COUNTY OF LOS ANGELES, CALIFORNIA  
SINGLE AUDIT  
FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS  
FYE JUNE 30, 2001**

**County's Response**

Department of Children and Family Services Response

The California Department of Social Services, as the licensing agent for group homes, including the 21 group homes on which the test work was conducted, has the primary responsibility for ensuring federal compliance. However, to date, the State has not considered group homes to be subrecipients and therefore not subject to A-133 audits. The State has recently been advised that they may need to revise their current policy to consider group homes as subrecipients and, to this end, are in the process of finalizing requirements with the federal region. When the State promulgates regulations concerning A-133 audits for group homes, the county will comply with any state-mandated role assigned to counties and will also, assuming that the State reserves to itself all enforcement activities and sanctions concerning the failure to produce A-133 audits, notify the State immediately of any such violations that the county may identify.

Department of Community Senior Citizens Response

Department of Community and Senior Citizens agrees with the recommendation. This contractor, Chicana Services, has since submitted its single audit report for the specified period.

We have policies in place requiring all service providers to submit single audit reports based on OMB Circular A-133 guidelines. We will, however, reinforce our commitment to impose appropriate sanctions against contractors who do not submit, in a timely manner, their single audit reports to us. Some of these actions will include suspension of funds and if necessary, termination of the contract. We will also direct our program staff as part of their monitoring procedures to routinely verify that the audits are submitted and that any findings are remedied in a timely manner. These policies will be amended Department-wide and will be implemented for the fiscal period commencing July 1, 2002.



**COUNTY OF LOS ANGELES, CALIFORNIA**

Single Audit Report

June 30, 2001

## COUNTY OF LOS ANGELES, CALIFORNIA

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355 South Grand Avenue  
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Los Angeles, CA 90071-1568

**Report on Compliance and on Internal Control over  
Financial Reporting Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

The Honorable Board of Supervisors  
County of Los Angeles, California:

We have audited the general purpose financial statements of the County of Los Angeles, California (the County) as of and for the year ended June 30, 2001 and have issued our report thereon, dated December 7, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the County's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.



This report is intended solely for the information and use of the County's Board of Supervisors and management, as well as officials of applicable federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

December 7, 2001



355 South Grand Avenue  
Suite 2000  
Los Angeles, CA 90071-1568

**Report on Compliance with Requirements  
Applicable to Each Major Program and on Internal  
Control over Compliance in Accordance with OMB Circular A-133**

The Honorable Board of Supervisors  
County of Los Angeles, California:

**Compliance**

We have audited the compliance of the County of Los Angeles, California (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. The County's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 01-01 and 01-02.



### **Internal Control over Compliance**

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of Expenditures of Federal Awards**

We have audited the general purpose financial statements of the County of Los Angeles, California as of and for the year ended June 30, 2001 and have issued our report thereon, dated December 7, 2001. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended solely for the information and use of the County's Board of Supervisors and management, as well as officials of applicable federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

December 7, 2001

**COUNTY OF LOS ANGELES, CALIFORNIA**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2001

| <b>Description</b>   | <b>Federal<br/>catalog of<br/>domestic<br/>assistance<br/>number<br/>(CFDA #)</b> | <b>Grant funds<br/>expended</b> |
|--|---|---------------------------------|
| <b>U.S. Department of Agriculture</b>                                |   |                                 |
| Direct program:  |   |                                 |
| Summer Food Service Program for Children                             | 10.559  | \$ 588,180                      |
| Passed through the California Department of Aging:                   |   |                                 |
| AAA III USDA CI  | 10.570 *  | 839,357                         |
| AAA III USDA CII   | 10.570 *  | <u>512,776</u>                  |
| Total expenditures – 10.570  |   | <u>1,352,133</u>                |
| Passed through the California Department of Education:               |   |                                 |
| McClaren Hall Breakfast/Lunch Milk Program                           | 10.553  | 177,384                         |
| Child Nutrition Program – School Lunch                               | 10.555  | 4,026,086                       |
| Child Nutrition Program – School Breakfast                           | 10.556  | 2,584,893                       |
| Passed through the California Department of Food and<br>Agriculture: |   |                                 |
| Shell Eggs Standard Enforcement                                      | 10.162  | 5,454                           |
| Passed through the California Department of Social Services:         |   |                                 |
| Food Stamps:   |   |                                 |
| Dollar Value of Food Stamps Issued                                   | 10.551 *  | 646,689,865                     |
| Food Stamp Program Administration – NAFS                             | 10.561 *  | <u>83,060,687</u>               |
| Total U.S. Department of Agriculture                                 |   | <u>738,484,682</u>              |
| <b>U.S. Department of Education</b>                                  |   |                                 |
| Direct programs:   |   |                                 |
| Supplemental Education Opportunity                                   | 84.007  | 9,901                           |
| College Work-Study   | 84.033  | 2,262                           |
| Perkins Loan Program   | 84.038  | 5,457                           |
| Pell Grants  | 84.063  | 126,214                         |
| Scholarships for Disadvantaged Students                              | 93.925  | 36,148                          |
| Passed through the California Department of Alcohol and Drugs:       |   |                                 |
| Drug-Free Schools and Communities:                                   |   |                                 |
| Club Live  | 84.186  | 93,750                          |
| Friday Night Live  | 84.186  | 93,750                          |
| School Based   | 84.186  | <u>561,201</u>                  |
| Total expenditures – 84.186  |   | <u>748,701</u>                  |

# COUNTY OF LOS ANGELES, CALIFORNIA

## Schedule of Expenditures of Federal Awards

Year ended June 30, 2001

| Description  | Federal<br>catalog of<br>domestic<br>assistance<br>number<br>(CFDA #) | Grant funds<br>expended |
|--|---|-------------------------|
| <b>U.S. Department of Education, Continued</b>         |   |                         |
| Passed through the California Department of Education: |   |                         |
| Accessing Los Angeles Community History                | 45.310  | \$ 98,160               |
| Teens: The Community Service Solution                  | 45.310  | 82,052                  |
| Public Library Staff Education Program                 | 45.310  | 5,236                   |
| Total expenditures – 45.310                            |   | 185,448                 |
| Total U.S. Department of Education                     |   | 1,114,131               |
| <b>U.S. Department of Health and Human Services</b>    |   |                         |
| Direct programs:                                       |   |                         |
| Tuberculosis/CDC Cooperative Agreement                 | 93.116  | 5,237,871               |
| Active Varicella Surveillance & EPID Studies           | 93.185  | 202,524                 |
| Childhood Lead Poisoning Case Management               | 93.197  | 439,283                 |
| Hansen's Disease                                       | 93.215  | 332,424                 |
| Post-TANF Tracking                                     | 93.239  | 5,742                   |
| Community Access Program                               | 93.252  | 528,365                 |
| State Epidemiology & LAB Surveillance Responses        | 93.283  | 664,722                 |
| Bioterrorism   | 93.283  | 873,433                 |
| Kinship Care Adoption                                  | 93.652  | 246,306                 |
| Innovative Approaches to Kinship Cares                 | 93.670  | 162,232                 |
| Child Health & Disability Program                      | 93.778 *  | 4,133,123               |
| HIV Emergency Relief Project Grant                     | 93.914  | 32,281,958              |
| Ryan White Care Act- Dental Reimbursement Program      | 93.924  | 32,578                  |
| HIV Prevention Project                                 | 93.940  | 7,699,532               |
| Intervention EPI Res Study of HIV/AIDS                 | 93.941  | 53,210                  |
| HIV Prevention Counsel & HIV Partner Notification      | 93.943  | 349,584                 |
| HIV Aids Surveillance and Seroprevalence               | 93.944  | 3,139,513               |
| Venereal Disease Control Project                       | 93.977  | 2,972,029               |
| Refugee Preventive Health Services                     | 93.978  | 888,699                 |
| Passed through the California Department of Aging:     |   |                         |
| Title VII:   |   |                         |
| Elder Abuse Prevention                                 | 93.041 *  | 77,048                  |
| Ombudsman/Elder Abuse Prevention                       | 93.042 *  | 112,525                 |
| Area Agency on Aging III F                             | 93.043 *  | 311,549                 |
| Area Agency on Aging III B                             | 93.044 *  | 4,671,457               |
| Area Agency on Aging III C-I                           | 93.045 *  | 4,319,051               |
| Area Agency on Aging III C-II                          | 93.045 *  | 2,916,010               |
| Total expenditures – 93.045                            |   | 7,235,061               |

**COUNTY OF LOS ANGELES, CALIFORNIA**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2001

| Description   | Federal<br>catalog of<br>domestic<br>assistance<br>number<br>(CFDA #) | Grant funds<br>expended |
|---|---|-------------------------|
| <b>U.S. Department of Health and Human Services, Continued</b>    |   |                         |
| Passed through the California Department of Alcohol and Drugs:    |   |                         |
| Federal Drug Medi-Cal (Perinatal & Drug)                          | 93.778 * \$   | 10,733,214              |
| CARE Act Title II   | 93.917  | 2,359,931               |
| Alcohol Block Grant   | 93.959 *  | 44,357,406              |
| Federal Female Offender   | 93.959 *  | 370,684                 |
| New Perinatal Set-Aside   | 93.959 *  | 3,270,673               |
| SAPT Block Grant Adolescent Treatment                             | 93.959 *  | 1,457,641               |
| SABG New HIV Set-Aside  | 93.959 *  | 3,497,444               |
| SAPT-Drug Court Youth Treatment                                   | 93.959 *  | 103,072                 |
| Substance Abuse Prevention & Treatment Projects                   | 93.959 *  | 211,752                 |
| Total expenditures – 93.959                                       |   | <u>53,268,672</u>       |
| Passed through the California Department of Economic Opportunity: |   |                         |
| Community Action Program – CSBG (note 5)                          | 93.569  | 6,240,485               |
| Passed through the California Department of Education:            |   |                         |
| Child Day-Care Program  | 93.596 *  | 11,208,331              |
| Passed through the California Department of Health Services:      |   |                         |
| Family Planning   | 93.217  | 1,018,987               |
| Health Facilities Inspection                                      | 93.777 *  | 8,531,521               |
| IHSS – PCSP Health Related  | 93.778 *  | 29,549,422              |
| Medi-Cal Eligibility Determination                                | 93.778 *  | 101,301,332             |
| Medical Outreach Program  | 93.778 *  | 3,470,000               |
| Total expenditures – 93.778                                       |   | <u>134,320,754</u>      |
| Maternal and Child Health   | 93.994  | 2,965,767               |
| Passed through the California Department of Mental Health:        |   |                         |
| McKinney Homeless Act Program                                     | 93.150  | 845,168                 |
| Mental Health Services:   |   |                         |
| Block Grant   | 93.958  | 11,930,786              |
| Passed through the California Department of Social Services:      |   |                         |
| Family Preservation Support Program                               | 93.556  | 6,695,617               |
| Refugee Elderly Services  | 93.576  | 409,680                 |
| Post-Adoptive Services  | 93.603  | 1,475,358               |

**COUNTY OF LOS ANGELES, CALIFORNIA**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2001

| Description  | Federal<br>catalog of<br>domestic<br>assistance<br>number<br>(CFDA #) | Grant funds<br>expended |
|--|---|-------------------------|
| <b>U.S. Department of Health and Human Services, Continued</b> |   |                         |
| Cal Learn Child Care   | 93.558  | \$ 3,132,495            |
| Cal Learn Services/Admin                                       | 93.558  | 11,347,160              |
| Calworks Case Management Services                              | 93.558  | 11,234,938              |
| Calworks Administration: TANF                                  | 93.558  | 112,533,454             |
| Calworks Affirm LA County – TANF                               | 93.558  | 3,275,898               |
| Calworks Diversion – Federal                                   | 93.558  | 12,338                  |
| Calworks Evaluation  | 93.558  | 90,078                  |
| Calworks-FG/U Assistance                                       | 93.558  | 1,085,273,599           |
| Calworks Legal Immigrants (MC)                                 | 93.558  | 5,170,959               |
| Calworks Performance Incentive                                 | 93.558  | 23,893,827              |
| Child Care Health Safety                                       | 93.558  | 95,075                  |
| EA Foster Care Admin & Asst (Title IV-A)                       | 93.558  | 73,540,176              |
| Kingap Administration and Assistance                           | 93.558  | 19,471,876              |
| Stage One Child Care   | 93.558  | 151,852,579             |
| Welfare to Work – TANF   | 93.558  | 129,406,154             |
| ERDP/NCP Demo Projects   | 93.558  | 1,837,346               |
| Adult Protective Services                                      | 93.558  | 6,301,251               |
| Total expenditures – 93.558                                    |   | 1,638,469,203           |
| Child Support Enforcement Title IV-D                           | 93.563 *  | 142,517,718             |
| Refugee Employment Social Services                             | 93.566  | 2,201,553               |
| Refugee Resettlement Program                                   | 93.566  | 3,371,305               |
| Refugee Targeted Assistance Program                            | 93.566  | 1,898,928               |
| Total expenditures – 93.566                                    |   | 7,471,786               |
| Children's Welfare Services IV-B – Direct Cost                 | 93.645  | 12,774,696              |
| AFDC – Foster Care – Administration and Assistance             | 93.658 *  | 200,203,964             |
| Children's Welfare Services Title IV-E                         | 93.658 *  | 126,371,995             |
| Foster Family Licensing  | 93.658 *  | 35,143                  |
| Foster Parent Training   | 93.658 *  | 638,450                 |
| Group Home Month Visits/CWD                                    | 93.658 *  | 1,728,955               |
| Probation IV-E Administration and Assistance                   | 93.658 *  | 320,000                 |
| Total expenditures – 93.658                                    |   | 329,298,507             |
| Adoptions – Administration and Assistance                      | 93.659  | 61,320,751              |
| Independent Living Skills – Children Services                  | 93.674  | 19,836,611              |
| IHSS Public Authority – PCSP                                   | 93.778 *  | 639,054                 |
| Children's Welfare Services XIX (Health Reel)                  | 93.778 *  | 11,428,353              |
| Total expenditures – 93.778                                    |   | 12,067,407              |
| Total U.S. Department of Health and Human<br>Services          |   | 2,548,411,718           |



**COUNTY OF LOS ANGELES, CALIFORNIA**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2001

| <b>Description</b>  | <b>Federal<br/>catalog of<br/>domestic<br/>assistance<br/>number<br/>(CFDA #)</b> | <b>Grant funds<br/>expended</b> |
|---|---|---------------------------------|
| <b>U.S. Department of Housing and Urban Development</b>                               |   |                                 |
| Direct programs:  |   |                                 |
| Homeless Foster Youth Program (HFYP)  | 14.235  | \$ 2,444,597                    |
| Supportive Housing Program:   |   |                                 |
| Connection Project  | 14.235  | 72,754                          |
| Positive Steps  | 14.235  | 142,011                         |
| Total expenditures – 14.235   |   | <u>2,659,362</u>                |
| National Rec Area Vacant Lot Weeding  | 14.999  | 2,731                           |
| Juvenile/Parental Assist & Accountability Program                                     | 16.592  | 10,775                          |
| Passed through the City of Santa Clarita – CDBG Grant – Santa Clarita Services Center | 14.218  | 30,499                          |
| Passed through the LA County Community Development Commission:                        |   |                                 |
| Adventure Park Recreation Program   | 14.218  | 64,860                          |
| Amigo Park General Improvements   | 14.218  | 172,945                         |
| Amigo Park Mobile Recreation Program  | 14.218  | 32,458                          |
| Bassett Park Senior Citizen Program   | 14.218  | 26,971                          |
| Burke's Club Drug Prevention and Gang Intervention                                    | 14.218  | 75,057                          |
| Case Expediting/Department Liaison  | 14.218  | 17,928                          |
| CCE East Los Angeles – 1st District   | 14.218  | 437,500                         |
| CCE – 2nd District  | 14.218  | 239,667                         |
| CCE – 5th District  | 14.218  | 122,573                         |
| Central Recreational District Summer Program  | 14.218  | 94,500                          |
| Century Sheriffs Youth Activity League Center Firestone                               | 14.218  | 15,350                          |
| Century Station Code Enforcement Project  | 14.218  | 34,695                          |
| Charter Oak Youth Athletic League Program   | 14.218  | 60,401                          |
| Earthquake (Northridge)   | 14.218  | 247,046                         |
| East County Community Recreational Program  | 14.218  | 497,806                         |
| Hacienda Heights Recreation Program   | 14.218  | 48,995                          |
| Industry Station Youth Athletic League Program  | 14.218  | 65,896                          |
| Lennox Park General Improvements  | 14.218  | 522,611                         |
| Lennox Station Community Youth Center   | 14.218  | 27,694                          |
| Mayberry Park Recreation Program  | 14.218  | 57,666                          |
| Mayberry Park Youth Athletic League Program   | 14.218  | 98,596                          |
| Pamela Park Youth Athletic League Program   | 14.218  | 34,920                          |

**COUNTY OF LOS ANGELES, CALIFORNIA**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2001

| <b>Description</b>   | <b>Federal<br/>catalog of<br/>domestic<br/>assistance<br/>number<br/>(CFDA #)</b> | <b>Grant funds<br/>expended</b> |
|--|---|---------------------------------|
| <b>U.S. Department of Housing and Urban<br/>Development, Continued</b> |   |                                 |
| PZE South Whittier:<br>4th District                                    | 14.218  | \$ 43,700                       |
| PZE:<br>5th District   | 14.218  | 77,600                          |
| Roosevelt Park General Improvements                                    | 14.218  | 28,232                          |
| Roosevelt Park Youth Athletic League Program                           | 14.218  | 72,105                          |
| Roosevelt Pool Program   | 14.218  | 46,325                          |
| Rowland Heights Youth Athletic League Program                          | 14.218  | 100,000                         |
| Salazar Park Youth Athletic League                                     | 14.218  | 56,163                          |
| Success Through Awareness and Resistance (STAR)                        | 14.218  | 34,507                          |
| Temple Station Youth Athletic League:<br>Williams                      | 14.218  | 43,404                          |
| Union Pacific Zoning Study   | 14.218  | 29,500                          |
| Valleydale Park Youth Athletic League Program                          | 14.218  | 65,896                          |
| Total expenditures – 14.218  |   | <u>3,624,066</u>                |
| Total U.S. Department of Housing and Urban<br>Development              |   | <u>6,296,934</u>                |
| <b>U.S. Department of Justice</b>                                      |   |                                 |
| Direct programs:   |   |                                 |
| Asset Seizure and Forfeiture   | 16.000 *  | 11,904,563                      |
| Drug Enforcement Administration  | 16.001  | 37,500                          |
| Domestic Preparedness Equipment Support Program                        | 16.006  | 1,931                           |
| State Criminal Alien Assistance Program                                | 16.606  | 4,923,306                       |
| Drug Court Improvement & Enhancement Initiative                        | 16.585  | 222,109                         |
| Clear (Local Law Enforcement Block Grant)                              | 16.592  | 295,950                         |
| Crash (Local Law Enforcement Block Grant)                              | 16.592  | 275,050                         |
| L.A. Bridges (Local Law Enforcement Block Grant)                       | 16.592  | 131,082                         |
| Local Law Enforcement Block Grant                                      | 16.592  | 4,770,000                       |
| Local Law Enforcement Block Grant                                      | 16.592  | 1,461,284                       |
| Total expenditures – 16.592  |   | <u>6,933,366</u>                |

**COUNTY OF LOS ANGELES, CALIFORNIA**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2001

| <b>Description</b>  | <b>Federal<br/>catalog of<br/>domestic<br/>assistance<br/>number<br/>(CFDA #)</b> | <b>Grant funds<br/>expended</b> |
|---|---|---------------------------------|
| <b>U.S. Department of Justice, Continued</b>  |   |                                 |
| COPS Ahead/Universal Hiring Program   | 16.710  | \$ 2,451,282                    |
| COPS (Park Police) Universal Hiring   | 16.710  | 618,317                         |
| Regional Community Policing Institutes  | 16.710  | 42,077                          |
| COPS Advancing  | 16.710  | 52,963                          |
| COPS High Intent Crime Alien Apprehend and Prosecute  | 16.710  | 10,864                          |
| COPS Police Integrity Training Initiative   | 16.710  | 127,701                         |
| Regional Community Policing Institutes (Year 3)   | 16.710  | 606,996                         |
| COPS Domestic Violence Conference   | 16.710  | 43,090                          |
| Total expenditures – 16.710   |   | <u>3,953,290</u>                |
| Community Oriented Policing Services (COPS) MORE 96<br>Award  | 16.726  | 764,617                         |
| Community Oriented Policing Services (COPS) MORE 98<br>Award  | 16.726  | 2,497,446                       |
| Total expenditures – 16.726   |   | <u>3,262,063</u>                |
| Passed through the California Department of Alcohol and Drugs:<br>Violence Intervention Program   | 16.590  | 90,438                          |
| Passed through the Office of Criminal Justice Planning:<br>Community Oriented Multi Agency Narcotics Enforcement  | 16.579  | 1,393,434                       |
| Passed through the Bureau of Justice Assistance:<br>Juvenile Offenders Learning Tolerance   | 16.580  | 1,022,464                       |
| Enhancing Community Prosecution Program   | 16.609  | 73,566                          |
| Passed through the Community Oriented Policing Services:<br>Community Law Enforcement and Recovery (CLEAR)  | 16.710  | 920,415                         |
| Total U.S. Department of Justice  |   | <u>34,738,445</u>               |
| <b>U.S. Office of the President</b>   |   |                                 |
| Passed through the Office of National Drug Control Policy<br>and California Office of Criminal Justice Planning<br>High Intensity Drug Traffic Assistance (HIDTA) | 16.580  | 133,158                         |
| <b>U.S. Department of Labor</b>   |   |                                 |
| Passed through the California Department of Aging Older<br>American Title V Project   | 17.235  | 1,823,717                       |
| Passed through the California Department of Employment<br>Development:  |   |                                 |
| Welfare to Work (M967328)   | 17.207  | 63,515                          |
| Transitional Planning (LAMC)  | 17.207  | 71,078                          |
| Total expenditures – 17.207   |   | <u>134,593</u>                  |

# COUNTY OF LOS ANGELES, CALIFORNIA

## Schedule of Expenditures of Federal Awards

Year ended June 30, 2001

| Description   | Federal catalog of domestic assistance number (CFDA #) | Grant funds expended |
|---|--|----------------------|
| <b>U.S. Department of Labor, Continued</b>                          |  |                      |
| Passed through the California Department of Employment Development: |  |                      |
| JTPA/EDWAA Formula  | 17.246   | \$ 1,194,037         |
| JTPA Health Services Demo Project                                   | 17.246   | 872,711              |
| Total expenditures – 17.246   |  | <u>2,066,748</u>     |
| Job Training Partnership Act (JTPA) 5% – Older                      | 17.250   | 425,379              |
| Job Training Partnership Act (JTPA) 77%                             | 17.250   | 1,602,863            |
| Job Training Partnership Act (JTPA) II-B G402914                    | 17.250   | 165,144              |
| Job Training Partnership Act (JTPA) II-C 82%                        | 17.250   | 554,295              |
| Total expenditures – 17.250   |  | <u>2,747,681</u>     |
| Welfare to Work:  |  |                      |
| Formula   | 17.253 *   | 10,481,120           |
| NAPIC   | 17.253 *   | 70,682               |
| NCP   | 17.253 *   | 804,793              |
| Total expenditures – 17.253   |  | <u>11,356,595</u>    |
| Workforce Investment Act:   |  |                      |
| Adult   | 17.255 *   | 13,840,722           |
| Youth   | 17.255 *   | 14,525,541           |
| Dislocated Worker   | 17.255 *   | 14,697,501           |
| Rapid Response  | 17.255 *   | 1,527,045            |
| Gov's   | 17.255 *   | 8,000                |
| Total expenditures – 17.255   |  | <u>44,598,809</u>    |
| Total U.S. Department of Labor                                      |  | <u>62,728,143</u>    |
| <b>U.S. Department of Transportation</b>                            |  |                      |
| Direct program:   |  |                      |
| Airport Improvement Program   | 20.106   | 404,676              |
| Computerized Collision Database & Analysis System                   | 20.600   | 121,798              |
| Drunk Driving Intervention Program                                  | 20.600   | 23,921               |
| Expand The Child Passenger Safety Net                               | 20.600   | 317,435              |
| Total expenditures – 20.600   |  | <u>463,154</u>       |

**COUNTY OF LOS ANGELES, CALIFORNIA**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2001

| <b>Description</b>  | <b>Federal<br/>catalog of<br/>domestic<br/>assistance<br/>number<br/>(CFDA #)</b> | <b>Grant funds<br/>expended</b> |
|---|---|---------------------------------|
| Passed through the California Department of Transportation:       |   |                                 |
| Bridge Retrofit Program   | 20.205  | \$ 9,555,376                    |
| Hazard Elimination Safety   | 20.205  | 40,213                          |
| Highway Bridge Rehabilitation                                     | 20.205  | 2,241,236                       |
| Surface Transportation Program (STP)                              | 20.205  | <u>9,112,998</u>                |
| Total expenditures – 20.205                                       |   | <u>20,949,823</u>               |
| Public Transportation for Nonurbanized Areas 1996                 | 20.509  | 110,000                         |
| Vacant Lot Weed Clearance:  |   |                                 |
| Century Freeway   | 20.999  | 53,724                          |
| Federal Aviation  | 20.999  | <u>4,221</u>                    |
| Total expenditures – 20.999                                       |   | <u>57,945</u>                   |
| Total U.S. Department of Transportation                           |   | <u>21,985,598</u>               |
| <b>U.S. Federal Emergency Management Agency</b>                   |   |                                 |
| Passed through the California Department of Economic Opportunity: |   |                                 |
| Food Basket Distribution  | 83.523  | 20,151                          |
| Passed through the California Office of Emergency Services:       |   |                                 |
| Earthquake Preparedness   | 83.521  | 1,035,525                       |
| Biological Control of Vegetation on Fuel Break                    | 83.548  | 54,823                          |
| Public Assistance Grants  | 83.544  | 3,694,943                       |
| Earthquake (Northridge)   | 83.544  | 34,199,675                      |
| El Nino of 1998   | 83.544  | <u>704,040</u>                  |
| Total expenditures – 83.544                                       |   | <u>38,598,658</u>               |
| Total U.S. Federal Emergency Management Agency                    |   | <u>39,709,157</u>               |
| Total expenditures of Federal awards                              |   | <u><u>\$ 3,453,601,966</u></u>  |

\* Denotes major program as defined by OMB Circular A-133.

See accompanying notes to Schedule of Expenditures of Federal Awards and Report on Compliance with Requirements Applicable to Each Major Program and on Internal Report on Compliance Control over Compliance in Accordance with OMB Circular A-133.

## COUNTY OF LOS ANGELES, CALIFORNIA

### Notes to Schedule of Expenditures of Federal Awards

June 30, 2001

**(1) General**

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs for the County of Los Angeles, California (County). The County's reporting entity is defined in the notes to the County's general purpose financial statements.

**(2) Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified-accrual basis of accounting, as described in note 1 of the notes to the County's general purpose financial statements. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the County's general purpose financial statements.

**(3) Community Development Commission**

For financial reporting purposes, the Community Development Commission of the County of Los Angeles (Commission) is considered to be a component financial reporting unit of the County of Los Angeles. However, the Commission is also subjected to a separate financial audit and a separate OMB Circular A-133, Single Audit. Copies of such audit reports can be obtained from the Community Development Commission; 2 Coral Circle, Monterey Park, California 91755.

**(4) Subrecipient Awards**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided a significant amount of funding to various subrecipients. Due to the extensive number of federal programs and large volume of subrecipients, it is not practical to display the detailed subrecipient information in the Schedule of Expenditures of Federal Awards.

**(5) Summary of Community Action Program – CSBG CFDA #93.569**

The following summarizes the County's Community Action Program – Community Services Block Grant (CSBG), U.S. Department of Health and Human Services, passed through the California Department of Economic Opportunity CFDA #93.569 federal expenditures for the year ended June 30, 2001:

| Program name                          | Grant no. | Expenditure amount  |
|---------------------------------------|-----------|---------------------|
| CSBG                                  | 00F-2117  | \$ 4,289,794        |
| CSBG                                  | 01F-4017  | 1,689,695           |
| CSBG – American Indian                | 00F-2166  | 109,891             |
| CSBG – American Indian                | 01F-4066  | 151,105             |
| Total Community Action Program – CSBG |           | \$ <u>6,240,485</u> |

COUNTY OF LOS ANGELES, CALIFORNIA

Schedule of Findings and Questioned Costs

June 30, 2001

(1) Summary of Auditors' Results

(a) General Purpose Financial Statements

Type of auditors' report issued: **Unqualified Opinion.**

Internal control over financial reporting:

- Material weakness (es) identified? **None.**
- Reportable condition(s) identified that are not considered to be material weaknesses? **None Reported.**

Noncompliance material to financial statements noted? **None.**

(b) Federal Awards

Internal control over major programs:

- Material weakness (es) identified? **None.**
- Reportable condition(s) identified that are not considered to be material weakness (es)? **None Reported.**

Type of auditors' report issued on compliance for major programs: **Unqualified Opinion.**

Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of Circular A-133? **Yes.**

Identification of major programs:

| CFDA Number(s)                             | Name of Federal Program or Cluster        |
|--|---|
| 10.551/10.561                              | Food Stamp Cluster                        |
| 16.000                                     | Asset Seizure and Forfeiture              |
| 17.253                                     | Welfare to Work                           |
| 17.255                                     | Workforce Investment Act                  |
| 93.777/93.778                              | Medicaid Cluster                          |
| 93.563                                     | Child Support Enforcement – Title IV-D    |
| 93.658                                     | Foster Care Administration and Assistance |
| 93.959                                     | Alcohol Block Grant                       |
| 10.570/93.041/93.042/93.043/93.044/ 93.045 | Aging Cluster                             |
| 93.596                                     | Child Day Care Program                    |

Dollar threshold used to distinguish between Type A and Type B program:

- Type A – Federal award expenditures equal to or exceeding \$10,361,000.

Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133? **Yes.**

## COUNTY OF LOS ANGELES, CALIFORNIA

### Schedule of Findings and Questioned Costs

June 30, 2001

(2) **Findings Relating to the General Purpose Financial Statements Reported in Accordance with Government Auditing Standards**

None.

(3) **Findings and Questioned Costs Relating to Federal Awards**

*Finding 01-01 – Suspension and Debarment*

**Programs Affected**

**Aging Cluster:** *Department of Health and Human Services (DHHS)*, Title VII – Elder Abuse Prevention (CFDA #93.041), Title VII – Ombudsman (CFDA #93.042), Area Agency on Aging III F (CFDA #93.043), Area Agency on Aging III B (CFDA #93.044), Area Agency on Aging III CI & CII (CFDA #93.045), and *Department of Agriculture (DOA)*, Area on Aging III USDA CI & CII (CFDA #10.570).

**Foster Care:** *Department of Health and Human Services (DHHS)*, AFDC – Foster Care – Administration & Assistance (CFDA #93.658), Children’s Welfare Services Title IV-E (CFDA #93.658), Foster Parent Training (CFDA #93.658), Foster Family Licensing (CFDA #93.658), Group Home Month Visits – CWD (CFDA #93.658), Probation IV-E Administration & Assistance (CFDA #93.658).

**Compliance Requirement**

Nonfederal entities are prohibited from contracting with or making subawards under covered contract transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$100,000 and all nonprocurement transactions (e.g., subawards to subrecipients). Contractors receiving individual awards for \$100,000 or more and all subrecipients must certify that the organization and its principals have not been subject to suspension and debarment proceedings (45 CFR 75).

**Situation Noted**

The respective County departments are not obtaining certificates of suspension and debarment from their subrecipients, which receive equal to or greater than \$100,000 prior to making subawards. It was noted that in 100% of the subrecipients sampled, (e.g., twenty five (25) for each program selected for testwork), certificates of suspension and debarment could not be found in the subrecipient’s file. We also noted that in 100% of the department’s contracts selected for testwork, the contract did not contain specific language requiring suspension and debarment certifications.

**Questioned Costs:** None.

**Recommendation**

We recommend that the County department responsible for monitoring and obtaining certificates of suspension and debarment implement policies and procedures that require a signed certificate of suspension and debarment to be on file prior to making the subaward. We recommend that the



## COUNTY OF LOS ANGELES, CALIFORNIA

### Schedule of Findings and Questioned Costs

June 30, 2001

CAO's Contracting and Purchasing Task Force distribute a memorandum to all County departments, County Counsel, and the County's Contracts and Grants sections mandating a suspension and debarment clause in all County contracts with subrecipients/subcontractor vendors and for all contracts receiving individual awards of \$100,000 or more in federal and state funding.

#### ***Finding 01-02 – Subrecipient Single Audit Reports***

##### **Programs Affected**

**Foster Care:** *Department of Health and Human Services (DHHS), AFDC – Foster Care – Administration & Assistance (CFDA #93.658), Children's Welfare Services Title IV-E (CFDA #93.658), Foster Parent Training (CFDA #93.658), Foster Family Licensing (CFDA #93.658), Group Home Month Visits – CWD (CFDA #93.658), Probation IV-E Administration & Assistance (CFDA #93.658).*

**Workforce Investment Act:** *Department of Labor (DOL), Workforce Investment Act – Adult (CFDA #17.255), Workforce Investment Act – Youth (CFDA #17.255), Workforce Investment Act – Dislocated Work (CFDA #17.255), Workforce Investment Act – Response (CFDA #17.255).*

##### **Compliance Requirement**

The County is responsible for monitoring the subrecipient's activities to provide reasonable assurance that the subrecipient administers federal awards in compliance with federal requirements, ensures that the required audits are performed, and requires that prompt corrective action on any audit findings by the subrecipient (A-102 Common Rule).

##### **Situation Noted**

Foster Care: Twenty-one out of twenty-five subrecipients selected for testwork did not submit a copy of their single audit report for fiscal year 2000.

Workforce Investment Act: One out of twenty-five subrecipients selected for testwork did not submit a copy of their single audit report for fiscal year 2000.

In addition, in all cases tested, it was noted that federal funding was not suspended when the single audit report was not produced. We noted that each subrecipient receiving more than \$300,000 per year is required to submit a copy of their Single Audit report to the County for each year in which they receive more than \$300,000 in federal funding. Subrecipients that did not submit Single Audits were:

Foster Care:

Koinonia Homes

Teens Happy Home

International FFA

Refugio Par Ninos

Trinity Foster Care

Personal Involvement Center

**COUNTY OF LOS ANGELES, CALIFORNIA**

**Schedule of Findings and Questioned Costs**

June 30, 2001

|                          |                                |
|--------------------------|--------------------------------|
| Secure Transactions FFA  | Inst Black Parenting           |
| Serenity Infant Care     | Hannahs House                  |
| Family for Children Inc. | Multicultural Services Center  |
| The Sycamores FFA        | Olive Crest FFA                |
| Children's Way           | Samadana FFA                   |
| Dangerfield Inst FFA     | McKinley Children's Center FFA |
| Eggleston Youth Center   | Walden Environment FFA         |
| Florence Crittenton FFA  |                                |

Workforce Investment Act:

Chicana Services

**Questioned Costs:** None.

**Recommendation:**

We recommend that the respective Program Administration (PA) enforce existing established policies and procedures by imposing appropriate sanctions on subrecipients that do not submit their A-133 Single Audit reports in a timely manner. By implementing this recommendation, the PA can properly review the subrecipient's Single Audit reports for financial information and internal control or compliance findings. If subrecipients are determined to be noncompliant, the PA will then be able to implement sanctions and more closely monitor those subrecipients that are not taking appropriate corrective action.